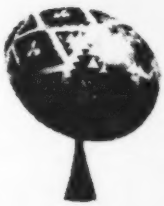
# TOWN OF VEGREVILLE

## FINANCIAL STATEMENT
## AND
## AUDITORS' REPORT

**FOR THE YEAR ENDED**
**DECEMBER 31, 1985**



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# TOWN OF VEGREVILLE

## FINANCIAL STATEMENTS

December 31, 1985

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## AUDITORS' REPORT

The Mayor and Council
Town of Vegreville

We have examined the Consolidated Balance Sheet of the Town of Vegreville as at December 31, 1985 and the related statement of revenues and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Town as at December 31, 1985 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting described in Note 1 on Page 9, applied on a basis consistent with that of the preceding year.

Vegreville, Alberta
January 27, 1986

Chartered Accountants.

Wills, Dunn & Lake

TOWN OF VEGREVILLE

CONSOLIDATED BALANCE SHEET

As at December 31, 1985

| ASSETS | 1985 | 1984 |
|---|---|---|
| Cash and Bank | $ 2,586,429 | $ 2,625,440 |
| Accounts Receivable | | |
| Taxes | 741,743 | 798,940 |
| Other Governments | 59,264 | 6,793 |
| Trade Accounts | 181,395 | 149,463 |
| | 982,402 | 955,196 |
| Inventories - at estimated cost | 44,078 | 22,415 |
| Land held for resale | 679,157 | 479,904 |
| | 723,235 | 502,319 |
| Fixed Assets - Note 2 | 28,930,887 | 27,066,906 |
| Total Assets | $33,222,953 | $31,149,861 |
| **LIABILITIES** | | |
| Accounts payable | $ 400,820 | $ 288,126 |
| Deposits | 92,438 | 82,068 |
| Unexpended (overexpended) Capital Funds - Note 3 | ( 14,160) | 124,131 |
| Prepaid Local Improvements | 371,820 | 347,574 |
| | 850,918 | 841,899 |
| Debenture Debt | 7,126,696 | 7,355,622 |
| Total Liabilities | 7,977,614 | 8,197,521 |
| Contingencies - Note 4 | | |
| **RESERVES** | | |
| For Operating purposes - Page 2 | 250,000 | 290,000 |
| For Capital purposes - Page 2 | 710,086 | 853,323 |
| Total Reserves | 960,086 | 1,143,323 |
| **SURPLUS ACCOUNTS** | | |
| Operating Fund Surplus - Page 2 | 1,801,903 | 1,617,826 |
| Equity in Fixed Assets - Page 2 | 22,483,350 | 20,191,191 |
| Total Surplus | 24,285,253 | 21,809,017 |
| Total Liabilities, Reserves and Surplus | $33,222,953 | $31,149,861 |

*Wills, Dunn & Lake*

## STATEMENT OF RESERVES

For the year ended December 31, 1985

| | Beginning of year | Increases | Decreases | End of Year |
|---|---|---|---|---|
| **Operating Reserves** | | | | |
| Uncollectible taxes | $ 250,000 | $ -- | $ -- | $ 250,000 |
| General Assessment | 40,000 | | 40,000 | nil |
| | $ 290,000 | $ — | $ 40,000 | $ 250,000 |
| **Capital Reserves** | | | | |
| Offsite Levies | $ 265,695 | $ -- | $ -- | $ 265,695 |
| Land Sales | 240,543 | 43,344 | 216,253 | 67,634 |
| Parks Reserve | 72,255 | 4,719 | — | 76,974 |
| Recreation & Culture | 10,830 | -- | — | 10,830 |
| Fire | 64,000 | 20,000 | — | 84,000 |
| Public Work Shop | 200,000 | — | 200,000 | — |
| Administration Building | — | 200,000 | — | 200,000 |
| Community Services | — | 4,953 | — | 4,953 |
| | $ 853,323 | $ 273,016 | $ 416,253 | $ 710,086 |

## STATEMENT OF SURPLUS

For the year ended December 31, 1985

| | 1985 | 1984 |
|---|---|---|
| **Operating Surplus** | | |
| Balance, beginning of year | $ 1,617,826 | $ 1,411,176 |
| Add - Surplus for the year | 184,077 | 206,650 |
| Balance, end of year | $ 1,801,903 | $ 1,617,826 |
| **Equity in Fixed Assets** | | |
| Balance, beginning of year | $20,191,191 | $17,731,727 |
| Add - Increases for the year | 2,292,159 | 2,459,464 |
| Balance, end of year | $22,483,350 | $20,191,191 |

*Wills, Dunn & Lake*

## OPERATING REVENUES AND EXPENDITURES

For the year ended December 31, 1985

Net Gain (Cost) of Operations

| | | 1985 | 1984 |
|---|---|---|---|
| **General Municipal Revenues** | | | |
| Net taxes available for General purposes-Page 4 | | $ 2,396,413 | $ 2,329,476 |
| Penalties and costs on taxes | | 163,566 | 203,609 |
| Franchise Revenue | | 258,324 | 268,675 |
| Interest income and rebates | | 273,985 | 327,376 |
| Unconditional Government Grants (Prov. & Local) | | 210,849 | 207,466 |
| | | 3,303,137 | 3,336,602 |
| **Departmental Operations** | | | |
| Council | - Note 6 | ( 59,119) | ( 56,114) |
| General Administration | - Page 5 | ( 659,712) | ( 462,647) |
| Police | - Page 4 | ( 209,586) | ( 184,172) |
| Fire and Disaster Services | - Page 4 | ( 81,954) | ( 86,167) |
| By-Law Enforcement | - Page 5 | 1,327 | 4,551 |
| Ambulance | - Page 5 | ( 7,876) | ( 7,877) |
| Roads, Streets, Walks, Lighting | - Page 6 | (1,076,584) | (1,401,689) |
| Storm Sewers & Drainage | - Page 6 | ( 57,144) | ( 119,719) |
| Water Supply | - Page 6 | ( 16,665) | 186,541 |
| Sanitary Sewer Service | - Page 6 | ( 186,416) | ( 192,040) |
| Garbage collection | - Page 7 | ( 121,076) | ( 120,016) |
| Family & Community Support Services | - Page 7 | ( 27,596) | 7,540 |
| Cemetery | - Page 7 | ( 12,253) | 12,962 |
| Planning, Zoning & Development | - Page 7 | ( 16,126) | ( 33,290) |
| Community and Agriculture Service | - Page 7 | ( 29,148) | ( 12,348) |
| Recreation and Culture | - Page 8 | ( 550,616) | ( 657,761) |
| Airport | - Page 7 | ( 8,516) | ( 7,706) |
| | | 3,119,060 | 3,129,952 |
| **Surplus for the year** | | $ 184,077 | $ 206,650 |

**(Brackets) Denote Cost to the Town**

*Wills, Dow & Lake*

## SCHEDULE OF TAXES LEVIED

For the year ended December 31, 1985

| | 1985 | 1984 |
|---|---|---|
| Levies | | |
| Real property, power and pipe lines | $2,725,785 | $3,283,795 |
| Local Improvements | 361,330 | 363,608 |
| Licenses - Mobile units | 8,378 | 10,765 |
| Grants in lieu of taxes - other Governments | 1,295,586 | 886,389 |
| | 4,391,079 | 4,544,557 |
| Transfers to other Governments: | | |
| School Divisions | 1,250,452 | 1,478,051 |
| School Foundation Program | 302,013 | 295,863 |
| Lodge assistance | 38,121 | 51,190 |
| Provincial Planning Fund | 23,490 | 26,369 |
| Auxiliary Hospital & Nursing Home | 19,260 | — |
| | 1,633,336 | 1,851,473 |
| Local Improvements Allocated to Departments | 361,330 | 363,608 |
| Net Taxes available for General Purposes | $2,396,413 | $2,329,476 |

## SCHEDULE OF DEPARTMENTAL OPERATIONS

For the year ended December 31, 1985

| | Police | | Fire & Disaster | |
|---|---|---|---|---|
| | 1985 | 1984 | 1985 | 1984 |
| Revenues: | | | | |
| Provincial Grants | $ 63,012 | $ 63,012 | $ 918 | $ 918 |
| Sale of Goods and Service | — | — | 3,288 | 3,289 |
| Rental Revenue | — | — | 2,875 | 3,000 |
| | 63,012 | 63,012 | 7,081 | 7,207 |
| Expenditures: | | | | |
| Salaries & Fees | 30,458 | 34,486 | 26,611 | 27,223 |
| Contract | 225,718 | 195,461 | 2,369 | 8,011 |
| Other supplies & services | 14,522 | 12,487 | 13,805 | 11,890 |
| Hydrant Rentals | — | — | 26,250 | 26,250 |
| Capital Additions | 1,900 | 4,750 | — | — |
| To Fire Truck Reserves | — | — | 20,000 | 20,000 |
| | 272,598 | 247,184 | 89,035 | 93,374 |
| Net (Cost) Surplus | $(209,586) | $(184,172) | $( 81,954) | $(86,167) |

Wills, Dunn & Lee

## SCHEDULE OF DEPARTMENTAL OPERATIONS

For the year ended December 31, 1985

| | --Administration-- | | ----Council---- | |
|---|---|---|---|---|
| | 1985 | 1984 | 1985 | 1984 |
| **Revenues:** | | | | |
| Sale of goods and service | $ 14,509 | $ 13,911 | $ -- | $ -- |
| Rental income | 25,849 | 23,521 | -- | -- |
| Provincial Grants | -- | 10,502 | -- | -- |
| Transfer - assessment reserve | 40,000 | -- | -- | -- |
| | 80,358 | 47,934 | -- | -- |
| **Expenditures:** | | | | |
| Salaries, fees and benefits | 212,499 | 201,219 | 56,653 | 51,115 |
| Travel, subsistence and conventions | 685 | 339 | 2,466 | 4,999 |
| Supplies and sundry | 40,318 | 47,955 | -- | -- |
| Utilities | 24,472 | 24,053 | -- | -- |
| Telephone and advertising | 35,023 | 15,728 | -- | -- |
| Audit and related accounting | 13,170 | 11,435 | -- | -- |
| Legal | 14,949 | 594 | -- | -- |
| Census | 2,196 | -- | -- | -- |
| Assessor | 72,263 | 9,913 | -- | -- |
| Repairs and maintenance | 17,856 | 34,711 | -- | -- |
| Insurance and W.C.B. | 18,103 | 17,494 | -- | -- |
| History books | -- | 3,200 | -- | -- |
| School study | -- | 8,497 | -- | -- |
| Capital additions | 2,576 | 17,590 | -- | -- |
| Long Term Debt charges | 34,522 | 34,522 | -- | -- |
| Grants to other organizations | 5,251 | 17,751 | -- | -- |
| Tax cancellations | 30,060 | 27,285 | -- | -- |
| Other Departments recoveries | 16,127 | 18,295 | -- | -- |
| Reserve-Administration Bldg. | 200,000 | -- | -- | -- |
| -General Assessment | -- | 20,000 | -- | -- |
| | 740,070 | 510,581 | 59,119 | 56,114 |
| **Net (Cost) Surplus** | $(659,712) | $(462,647) | $(59,119) | $(56,114) |

| | --By-Law Enforcement- | | ----Ambulance---- | |
|---|---|---|---|---|
| | 1985 | 1984 | 1985 | 1984 |
| **Revenue:** | | | | |
| License, permits and fees | $ 20,941 | $ 25,481 | $ -- | $ -- |
| **Expenditures:** | | | | |
| Salaries, wages and benefits | 18,753 | 17,792 | -- | -- |
| Supplies and contracts | 861 | 3,138 | -- | -- |
| Grants to other organizations | -- | -- | 7,876 | 7,877 |
| | 19,614 | 20,930 | 7,876 | 7,877 |
| **Net (Cost) Surplus** | $ 1,327 | $ 4,551 | $( 7,876) | $( 7,877) |

Wills, Dunn & Lake

## SCHEDULE OF DEPARTMENTAL OPERATIONS

For the year ended December 31, 1985

| | --Storm Sewers-- | | Roads, Streets ----- Lighting ----- | |
|---|---|---|---|---|
| | 1985 | 1984 | 1985 | 1984 |
| **Revenues:** | | | | |
| Local Improvements | $ 115,016 | $ 115,406 | $ 96,901 | $ 92,514 |
| Sale of goods & service | — | — | 15,885 | 9,841 |
| Rental revenues | — | — | 5,133 | — |
| Provincial Grants | 31,810 | 32,306 | 40,925 | 67,853 |
| | 146,826 | 147,712 | 158,844 | 170,208 |
| **Expenditures:** | | | | |
| Salaries, wages & benefits | 9,728 | 10,769 | 210,255 | 242,562 |
| Materials, supplies & utilities | 317 | 12,896 | 309,750 | 236,819 |
| Street Lighting | — | — | 84,155 | 145,346 |
| Contracted & General service | — | — | 30,421 | 37,757 |
| Capital Reserve | — | — | — | 200,000 |
| Capital Additions | 10,159 | 60,000 | 424,485 | 522,218 |
| Long term debt charges | — | — | — | 10,833 |
| Debenture Debt | 183,766 | 183,766 | 176,362 | 176,362 |
| | 203,970 | 267,431 | 1,235,428 | 1,571,897 |
| Net (Cost) Surplus | $( 57,144) | $(119,719) | $(1,076,584) | $(1,401,689) |

| | —Water Supply— | | — Sanitary Sewer— | |
|---|---|---|---|---|
| | 1985 | 1984 | 1985 | 1984 |
| **Revenues:** | | | | |
| Sale of goods & service | $ 909,335 | $776,247 | $ 192,155 | $ 129,356 |
| Frontage taxes | 89,181 | 90,999 | 60,232 | 64,689 |
| Provincial grants | 47,723 | 48,240 | 65,511 | 66,236 |
| Recoveries-other departments | 26,957 | 26,500 | — | — |
| Other Income | — | 2,117 | — | — |
| Rental Revenue - Reservoir | 25,000 | 25,000 | — | — |
| | 1,098,196 | 969,103 | 317,898 | 260,281 |
| **Expenditures:** | | | | |
| Salaries, wages & benefits | 111,967 | 93,170 | 58,152 | 68,037 |
| Water cost, supplies & service | 621,131 | 462,604 | 56,944 | 104,836 |
| Capital out of Revenue | 154,975 | — | 109,770 | — |
| Debenture Debt | 226,788 | 226,788 | 279,448 | 279,448 |
| | 1,114,861 | 782,562 | 504,314 | 452,321 |
| Net (Cost) Surplus | $( 16,665) | $186,541 | $(186,416) | $(192,040) |

Mills, Dunn & Ltd.

TOWN OF VEGREVILLE

SCHEDULE OF DEPARTMENTAL OPERATIONS

For the year ended December 31, 1985

| | Garbage | | Cemetery | |
|---|---|---|---|---|
| Revenue: | 1985 | 1984 | 1985 | 1984 |
| Sale of goods & service | $ 8,035 | $ 10,130 | $ 49,655 | $ 32,080 |
| Expenditures: | | | | |
| Salaries and benefits | 102,836 | 108,058 | 22,995 | 16,000 |
| Goods & service | 26,275 | 22,088 | 3,732 | 3,118 |
| Capital Additions | — | — | 35,181 | — |
| | 129,111 | 130,146 | 61,908 | 19,118 |
| Net (Cost) Surplus | $(121,076) | $(120,016) | $ (12,253) | $ 12,962 |

| | F.C.S.S. | | Airport | |
|---|---|---|---|---|
| Revenues: | 1985 | 1984 | 1985 | 1984 |
| Sale of goods & service | $ 25,883 | $ 31,654 | $ 2,907 | $ 2,210 |
| Grants - Province | 86,412 | 130,204 | — | — |
| | 112,295 | 161,858 | 2,907 | 2,210 |
| Expenditures: | | | | |
| Salaries, wages & benefits | 119,559 | 123,710 | 1,631 | 1,371 |
| Goods and service | 20,332 | 30,808 | 9,792 | 8,545 |
| | 139,891 | 154,318 | 11,423 | 9,916 |
| Net (Cost) Surplus | $ (27,596) | $ 7,540 | $( 8,516) | $( 7,706) |

| | Planning, -Zoning, Develop.- | | Community and -Agriculture Services- | |
|---|---|---|---|---|
| Revenues: | 1985 | 1984 | 1985 | 1984 |
| Licenses & permits | $ 37,593 | $ 21,406 | $ — | $ — |
| Sale of goods & services | — | — | — | 1,980 |
| Provincial grant | — | — | 13,916 | 13,103 |
| | 37,593 | 21,406 | 13,916 | 15,083 |
| Expenditures | | | | |
| Salaries, wages & benefits | 53,719 | 53,430 | 1,279 | 3,109 |
| Goods & service | — | 1,266 | 25,833 | 24,302 |
| To Capital Reserve | — | — | 4,953 | — |
| Grants | — | — | 10,999 | — |
| | 53,719 | 54,696 | 43,064 | 27,411 |
| Net (Cost) Surplus | $( 16,126) | $( 33,290) | $(29,148) | $(12,348) |

Mills, Dunn & Ltd.

SCHEDULE OF DEPARTMENTAL OPERATIONS

For the year ended December 31, 1985

| | -Recreation & Culture- 1985 | 1984 |
|---|---|---|
| **Revenues:** | | |
| Sale of Goods & Service | $ 258,274 | $ 244,672 |
| Grants - Province | 150,625 | 121,201 |
| - Other | 4,268 | 4,635 |
| | 413,167 | 370,508 |
| **Expenditures:** | | |
| Social Centre | 63,681 | 31,953 |
| Swimming Pool | 262,351 | 299,962 |
| Recreation Centre | 179,211 | 116,168 |
| Recreation Director office | 60,079 | 56,648 |
| Library | 32,583 | 32,950 |
| Parks and programs | 150,974 | 170,776 |
| Capital Additions | 52,823 | 157,731 |
| Debenture Debt | 162,081 | 162,081 |
| | 963,783 | 1,028,269 |
| **Net (Cost) Surplus** | $(550,616) | $( 657,761) |

Mills Dunn & Lake

NOTES TO FINANCIAL STATEMENTS

December 31, 1985

Note 1. Significant Accounting Policies.

These financial statements are prepared in accordance with generally accepted accounting principles for Alberta municipalities. These policies include:

(a) Debenture repayments, principal and interest are shown as operating expenditures.

(b) Capital expenditures for which financing was not arranged, are shown as operating expenditures.

(c) Increases and decreases in operating reserves are shown as operating expenditures and revenue, respectively.

(d) The accrual method of accounting is used except that accrued debenture interest is not recorded, accounts payable on capital projects which are to be financed in a subsequent year are not recorded, and accrued interest on investments is not recorded.

(e) No provision is made for depreciation on fixed assets.

(f) Inventory of land held for resale is recorded at cost.

(g) Prepaid Local Improvements are brought into current revenue in proportion to the related Debenture Debt which became due in the current year. The amount included in 1985 income is $20,166.

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 1985

Note 2. Changes in Fixed Assets.

| | Land and Other | Engineering Structures | Building | Machinery & Equipment | Total |
|---|---|---|---|---|---|
| Balance, beginning of year | $ 556,178 | $19,964,635 | $4,881,771 | $1,664,322 | $27,066,906 |
| Additions: | | | | | |
| Building-campsite | | | 3,291 | | 3,291 |
| Social Centre | | | 5,932 | | 5,932 |
| Bruce Road | | 14,270 | | | 14,270 |
| Sidewalks | | 113,825 | | | 113,825 |
| Streets & Paving | | 266,623 | | | 266,623 |
| Water | | 240,752 | | | 240,752 |
| Sewer & Drainage | | 241,353 | | | 241,353 |
| Airport-paving,lighting | | 355,336 | | | 355,336 |
| Town Shop | | | 480,370 | | 480,370 |
| Fences, ball diamond | | | 19,196 | | 19,196 |
| Cemetery | 35,181 | | | | 35,181 |
| Recreation equipment | | | | 18,856 | 18,856 |
| Typewriters & other office equipment | | | | 4,476 | 4,476 |
| Piano | | | | 4,120 | 4,120 |
| Vacuum tank and pump | | | | 21,500 | 21,500 |
| Van | | | | 3,000 | 3,000 |
| Trucks | | | | 35,900 | 35,900 |
| Balance, end of year | $ 591,359 | $21,196,794 | $5,390,560 | $1,752,174 | $28,930,887 |

Note 3. Capital Financing.

| | (Overexpended) Unexpended Beginning of year | Received | Applied | (Overexpended) Unexpended End of Year |
|---|---|---|---|---|
| Administration | $ — | $ 2,576 | $ 2,576 | $ — |
| Police - R.C.M.P. | — | 1,900 | 1,900 | — |
| Roads, Streets, Walks & lighting | 163,830 | 826,615 | 935,488 | 54,957 |
| Storm sewers & drainage | ( 70,747) | 218,618 | 131,583 | 16,288 |
| Water | 27,757 | 154,975 | 240,752 | ( 58,020) |
| Sanitary Sewer | — | 109,770 | 109,770 | — |
| Recreation | 3,291 | 43,984 | 47,275 | — |
| Culture | — | 4,120 | 4,120 | — |
| Airport | — | 327,951 | 355,336 | ( 27,385) |
| Cemetery | — | 35,181 | 35,181 | — |
| | $ 124,131 | $1,725,690 | $1,863,981 | $ ( 14,160) |

Wills, Dunn & Lake

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 1985

Note 4. Contingencies.

The Town and Alberta Housing Corporation entered into an Industrial Land Assembly program on April 1st, 1980. A clause in the agreement permits the corporation to require the town to purchase any land included under the agreement which remains unsold after 15 years.

Note 5. Comparative Figures.

Some of the comparative figures for the prior year have been restated to conform with the presentation adopted in the current year.

Note 6. Payments to Councillors:

| | 1985 | 1984 |
|---|---|---|
| Cairns, Ross (Mayor) | $ 10,650 | $ 9,175 |
| Beaudette, Dan | 4,125 | 3,175 |
| Semeniuk, Terry | 8,625 | 6,475 |
| Ursulak, Wilfred | 8,025 | 9,475 |
| Huzil, John | 7,875 | 7,375 |
| Horton, Wilfred | 7,050 | 6,400 |
| McKenzie, Kay | 6,525 | 6,325 |
| Registration fees, employee benefits & travel | 6,244 | 7,714 |
| | $ 59,119 | $ 56,114 |

NOTES TO FINANCIAL STATEMENTS-CONTINUED

December 31, 1985

Supplementary Information.

| | 1985 | 1984 |
|---|---|---|
| Mill Rate: | | |
| Municipal requirements | 16.19 | 56.60 |
| Requisitions - Misc. | .59 | 2.01 |
| - School Foundation | 4.77 | 18.37 |
| - School Supplementary | 9.45 | 42.16 |
| Total Non Residential Mill Rate | 31.00 | 119.14 |
| Residential Mill Rate included in above | 25.73 | 98.77 |

Note- Difference is Split Mill Rate of 0.50 Mills and School Foundation Requisition Mill Rate.

| | | |
|---|---|---|
| Total Taxable Assessments (large 1985 increase is due to a general re-assessment) | $99,108,510 | $31,275,635 |
| Total Provincial & Federal Assessments | $43,265,060 | $ 7,439,890 |
| Debenture Debt - General | $ 5,536,621 | $ 5,722,788 |
| - Water | 1,590,075 | 1,632,834 |
| (Less) - to be paid from Local Improvement Taxes | (2,831,660) | (2,915,620) |
| | $ 4,295,036 | $ 4,440,002 |
| Total Debenture Debt charges for the year - Principal & Interest | $ 1,062,967 | $ 1,062,966 |
| (Less) Special Assessment Recoveries | ( 361,330) | ( 363,608) |
| | $ 701,637 | $ 699,358 |
| Provincial Grants | | |
| Operating Revenues - Unconditional | $ 197,880 | $ 196,948 |
| - Conditional | 500,852 | 542,128 |
| | $ 698,732 | $ 739,076 |
| Population (No census taken in 1985) | 5,251 | 5,251 |

Wilk, Dun & Lake